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ANGLO-CANADIAN TELEPHONE
COMPANY

*First Annual
Report
1935*

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ANGLO-CANADIAN TELEPHONE COMPANY

MONTREAL, P.Q.

3rd April, 1936.

TO THE STOCKHOLDERS:

On behalf of the Directors of Anglo-Canadian Telephone Company, there is submitted herewith the first annual report of the Company. This report covers the results of operations for the period from 1st June, 1935, the date the Company commenced active business, to 31st December, 1935, although the Company was incorporated 1st December, 1934.

We are enclosing with the annual report of Anglo-Canadian Telephone Company, the annual reports of two of the Companies in which Anglo-Canadian Telephone Company has a substantial investment, namely, the British Columbia Telephone Company and Telephone Investment Corporation.

Submitted on behalf of the Board,

HUNTER L. GARY,
President.

TORONTO
HAMILTON
WINNIPEG
CALGARY

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

ESTABLISHED 1869

CABLES RIDSTED MONTREAL

EDMONTON
VANCOUVER
LONDON, ENG.
EDINBURGH, SCOT.

AND REPRESENTING
ARTHUR ANDERSEN & CO
CHICAGO, NEW YORK
AND BRANCHES

Austin C. Stead, C.A.
John Peterson, C.A.
Aleister A. Gowen, C.A.
H. D. Clapperton, C.A.
C. G. Wallace, C.A.
Gordon S. Small, C.A.
Malcolm J. McLeod, C.A.

460 ST FRANCOIS XAVIER ST

P O BOX 2398

MONTREAL

TO THE SHAREHOLDERS OF

ANGLO-CANADIAN TELEPHONE COMPANY:

We have made an examination of the balance sheet as at 31st December, 1935 of Anglo-Canadian Telephone Company. In connection therewith, while we did not make a detailed audit of the transactions, we examined or tested accounting records of the Company and other supporting evidence and also made a general review of its accounting methods for the period ended 31st December, 1935.

We have not examined the accounts of the Company's subsidiary companies but have received and examined reports rendered by other independent auditors on the accounts of these companies for the year ended 31st December, 1935 and have obtained information and explanations from officers and employees of the Company. As a result we have satisfied ourselves that dividends received and included in the Company's income have in all cases been earned by the respective subsidiary companies since date of acquisition.

We report that we have obtained all the information and explanations we have required and that, in our opinion, based upon the examination referred to above and the reports of subsidiary companies rendered by other independent auditors, the accompanying balance sheet as at 31st December, 1935 is drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

RIDDELL, STEAD, GRAHAM & HUTCHISON,

Auditors.

MONTREAL, 26TH MARCH, 1936

ANGLO-CANADIAN TELEPHONE COMPANY

(An Investment Company)

BALANCE SHEET

As at 31st December, 1935

ASSETS

INVESTMENTS AND LONG TERM ACCOUNT (at cost)..... \$10,796,125.00

CURRENT ASSETS

Cash on hand and in banks.....	\$	84,959.16	
Dividends receivable.....		115,313.95	
Accounts receivable:			
Subsidiary companies.....	\$20,620.97		
Others.....	3,865.90		
		<u>24,486.87</u>	
			224,759.98

\$11,020,884.98

LIABILITIES

CAPITAL STOCK

7% CUMULATIVE PREFERRED

Authorized—
100,000 shares—par value..... \$5,000,000.00

Issued and outstanding—
66,000 shares..... 3,300,000.00

CLASS A

Authorized—
485,000 shares—par value..... \$4,850,000.00

Issued and outstanding—
261,000 shares..... 2,610,000.00

CLASS B

Authorized—
465,000 shares—par value..... \$4,650,000.00

Issued and outstanding—
359,100 shares..... 3,591,000.00

DEFERRED

Authorized—
100,000 shares—par value..... \$1,000,000.00

Issued and outstanding—
100,000 shares..... 1,000,000.00

10,501,000.00

CURRENT LIABILITIES

Accounts payable:

Subsidiary and affiliated companies.. 63,003.09
Others..... 10,989.91

Accrued taxes (including provision for 73,993.00

Dominion and Provincial taxes) 23,200.00

Dividend accrued (subsequently declared) 38,500.00

135,693.00

RESERVE FOR DIVIDENDS PAID BY SUBSIDIARY COMPANIES OUT OF SURPLUSES EXISTING AT DATE OF ACQUISITION.....

39,360.91

SURPLUS (as per attached statement)..... 344,831.07

\$11,020,884.98

Approved on Behalf of the Board of Directors:

MARTIN LINDSAY, Director

THEODORE S. GARY, Director

MONTREAL, 26TH MARCH, 1936.

This is the Balance Sheet referred to in our Report of this date.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants,
Auditors.

ANGLO-CANADIAN TELEPHONE COMPANY

(An Investment Company incorporated 1st December, 1934)

INCOME AND EXPENSE STATEMENT

For the Period from 1st June to 31st December, 1935

INCOME		
Dividends, Interest, and other Income.....		\$406,799.11
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries, Directors' Fees, Legal and Miscellaneous Expenses.....	\$ 34,520.66	
Taxes, including provision for Dominion income taxes and Provincial profits taxes.....	20,394.11	
Interest.....	293.86	
		55,208.63
NET INCOME FOR PERIOD.....		<u>\$351,590.48</u>

STATEMENT OF SURPLUS

*For the Period from 1st December, 1934 (Date of Incorporation)
to 31st December, 1935*

Net book value of assets of predecessor company acquired	\$375,142.22	
Net income (as per Income and Expense Statement).....	351,590.48	
		\$726,732.70
Expenditures written off:		
Organization expense.....	\$33,646.45	
Furniture and fixtures.....	1,180.18	
		34,826.63
		\$691,906.07
DEDUCT		
Dividends paid or provided for:		
7% Cumulative Preferred.....	154,000.00	
Class A.....	44,550.00	
Class B.....	148,525.00	
		347,075.00
BALANCE AS AT 31ST DECEMBER, 1935.....		<u>\$344,831.07</u>